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Health Insurance Assistance

Premium Subsidies for COBRA Continuation Coverage for Unemployed Workers: To assist people maintain health insurance coverage, a 65 percent subsidy is provided for COBRA continuation premiums for up to 9 months for workers who have been involuntarily terminated, and for their families. This subsidy also applies to health care continuation coverage if required by states for small employers. With COBRA premiums averaging more than \$1000 a month, this assistance is vitally important. To qualify for premium assistance, a worker must be involuntarily terminated between September 1, 2008 and December 31, 2009. The subsidy will terminate upon offer of any new employer-sponsored health care coverage or Medicare eligibility. Workers who failed to initially elect COBRA because it was unaffordable, are given an additional 60 days to elect COBRA and receive the subsidy. To ensure that this assistance is targeted at workers who are most in need, participants must attest that their same year income will not exceed \$125,000 for individuals and \$250,000 for families.

Medicare Payments for Teaching Hospitals: The bill blocks a FY09 Medicare payment reduction to teaching hospitals related to capital payments for indirect medical education.

Medicare Payments to Hospice: The legislation blocks FY09 Medicare payment cut to Hospice providers related to a wage index payment add-on.

Medicare Payments to Long Term Care Hospitals: H.R.1 makes technical corrections to the Medicare, Medicaid, and SCHIP Extension Act of 2007 related to Medicare payments for long-term care hospitals.

State Fiscal Relief and Medicaid

Temporary Federal Medical Assistance Percentage (FMAP) Increase: The bill increases FMAP funding for a 27-month period beginning 10/1/2008 through 12/31/2010, with an across-the-board increase to all states of 6.2% and a similar increase for territories. A bonus structure provides an additional decrease in State financial obligations for Medicaid based on increases in the State's unemployment rate.

Temporary Increase in Disproportionate Share Hospital (DSH) Payments: The bill increases states' FY2009 annual DSH allotments by 2.5 percent, and increases states' FY 2010 by 2.5 percent above the new FY2009 DSH allotment. After FY2010, states' annual DSH allotments would return to 100% of annual allotments as currently determined.

Extension of Moratoria on Medicaid Regulations: Extends moratoria on Medicaid regulations for targeted case management, provider taxes, school-based administration, and transportation services through June 30, 2009. The bill also adds a moratorium on the Medicaid regulation for hospital outpatient services through June 30, 2009.

Extension of Transitional Medical Assistance (TMA): The legislation extends TMA beyond the current expiration date of June 30, 2009, to December 31, 2010.

Extension of the Qualified Individual Program: The bill extends the Qualified Individual program, which assists certain low-income individuals with Medicare Part B premiums, through December 31, 2010.

Prompt Payment Requirements for Nursing Facilities and Hospitals: Temporarily applies Medicaid prompt pay requirements to nursing facilities and hospitals.

Health Information Technology

National Coordinator for Health Information Technology: \$2 billion, including \$300 million to support regional or sub-national efforts toward health information exchange, 0.25 percent of the funds provided may be used for administration of such funds.

Funding for Health Information Technology (IT) through Medicare and Medicaid Incentives: Through the promotion of the use of health information technology (health IT), such as electronic health records. By requiring the government to take a leadership role in developing standards by 2010 that establishes a nationwide electronic exchange and use of health information to improve quality and coordination of care through investing \$19 billion in health information technology infrastructure and Medicare and Medicaid incentives to encourage doctors, hospitals, and other providers to use health IT to electronically exchange patients' health information. Now enacted, approximately 90 percent of doctors and 70 percent of hospitals will adopt and use certified electronic health records within the next decade. This will save the government more than \$12 billion (through reduced spending on Medicare, Medicaid, and other programs) and generate additional savings throughout the health sector through improvements in quality of care, care coordination, and reductions in medical errors and duplicative care.

For questions about this, or any other aspect of the Recovery bill, please call our office at (800)964-4699

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